



Continuing Disclosure – Internal Roles and Responsibilities

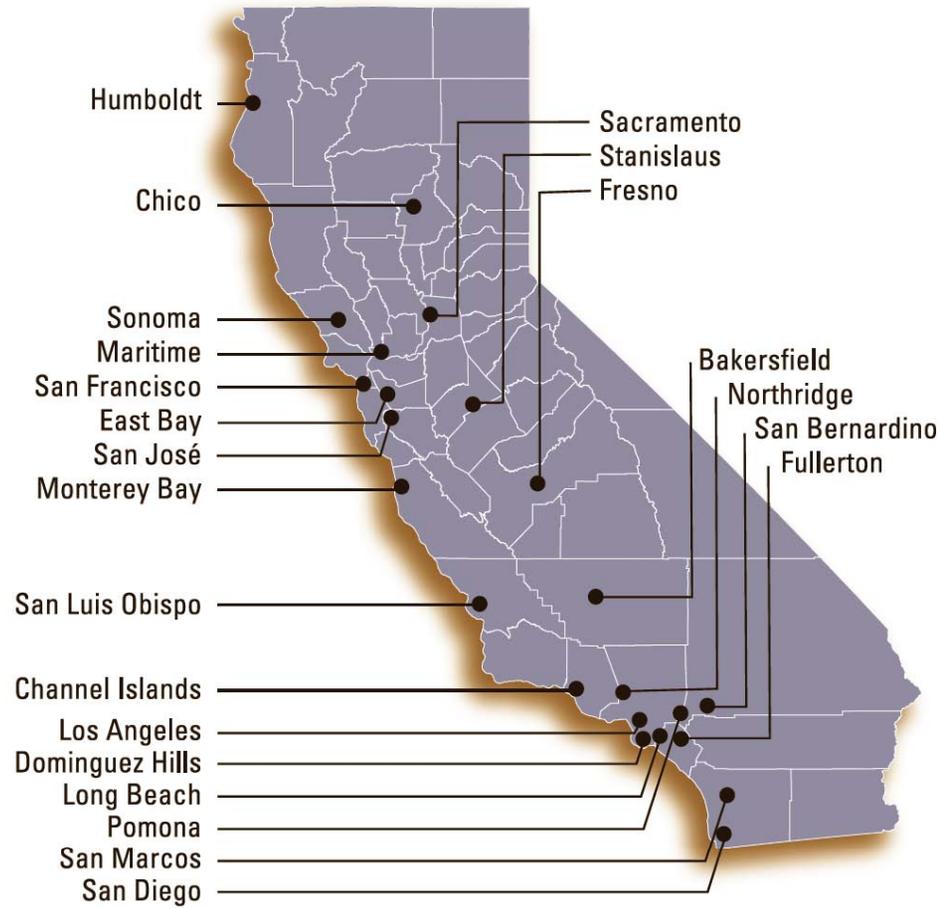
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Office of the Chancellor, California State University

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THE 23 CURRENT CAMPUSES OF THE CSU



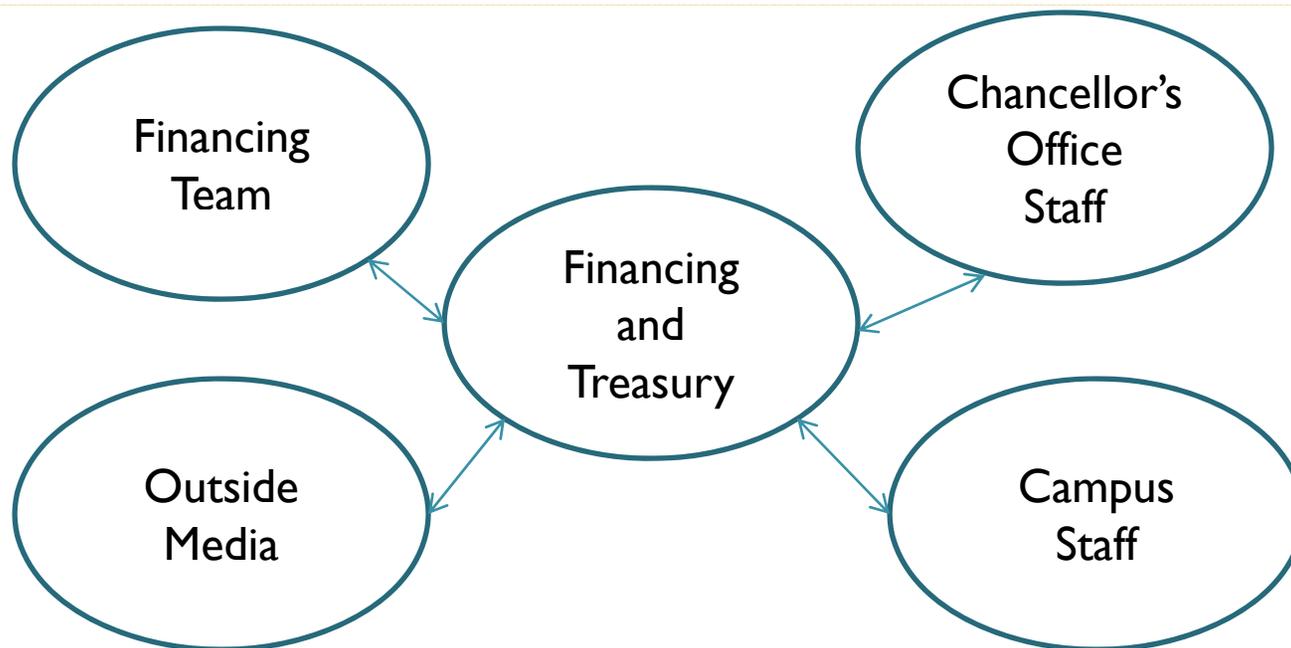
CSU Debt Outstanding*

- Systemwide Revenue Bonds (SRB) \$3.4 billion
- Commercial Paper \$ 131 million
- Auxiliary Organizations: \$ 104 million
- State Public Works Board: \$ 806 million
- Other: \$ 73 million
- Total \$4.5 billion
- SRB has 23 bond series outstanding, involving 178 projects. In addition, the CSU is involved with reporting requirements related to State General Obligation Bonds.
- Financing and Treasury has six administrators responsible for managing long term bonds, commercial paper, investments, and real property acquisitions.

* As of 12/31/10.

Continuing Disclosure Updates

- A team approach that relies on external and internal resources.





Continuing Disclosure External Resources – What is Happening Outside?

- Financing Team (phone calls, emails, meetings):
 - Bond counsel
 - Tax counsel
 - Financial advisor
 - Underwriters
 - State Treasurer's Office
 - Attorney General's Office
- Outside Media:
 - Underwriter Newsletters, Bond Buyer, Wall Street Journal; News; Internet; etc.
- Natural Disasters (ex. Earthquakes)



Continuous Disclosure Internal Resources – What is Happening Inside My Organization?

- **Chancellor's Office Staff:**
 - Financing and Treasury
 - Budget Office
 - Accounting
 - Capital Planning Design and Construction
 - Risk Management
 - Analytic Studies
 - Public Affairs
- **Campuses:**
 - Administration and Staff
 - Students



Continuing Disclosure Practices

- Annual Report

- It is an ongoing process.
- For the actual report, we start preparing months in advance.
- Notify via email of upcoming submission deadlines to Accounting staff for financial statements
- Keep backup documentation
- Understand the program's financial position – do comprehensive Debt Service Coverage Analyses and receive campus updates for future capital projects throughout the year.



Continuing Disclosure Practices

- Annual Report (continued):
 - Share draft with others for review and comments
 - Follow-up with people to assure timeliness of report.
 - Give yourself a time cushion for unexpected delays.
 - Make sure Annual Report is posted correctly on EMMA.
 - Send out follow-up email to key recipients (bond counsel, underwriters counsel, STO)
 - Update with final data if needed.



Continuing Disclosure Practices

- Material Event Notices
 - Research immediately of possibility
 - Discuss with bond counsel and financial advisor
 - Does the event really constitute a material event?
 - Communicate concisely and factually
 - Share draft with bond counsel
 - Be timely
 - Have back-up staff



Continuous Disclosure - Communication

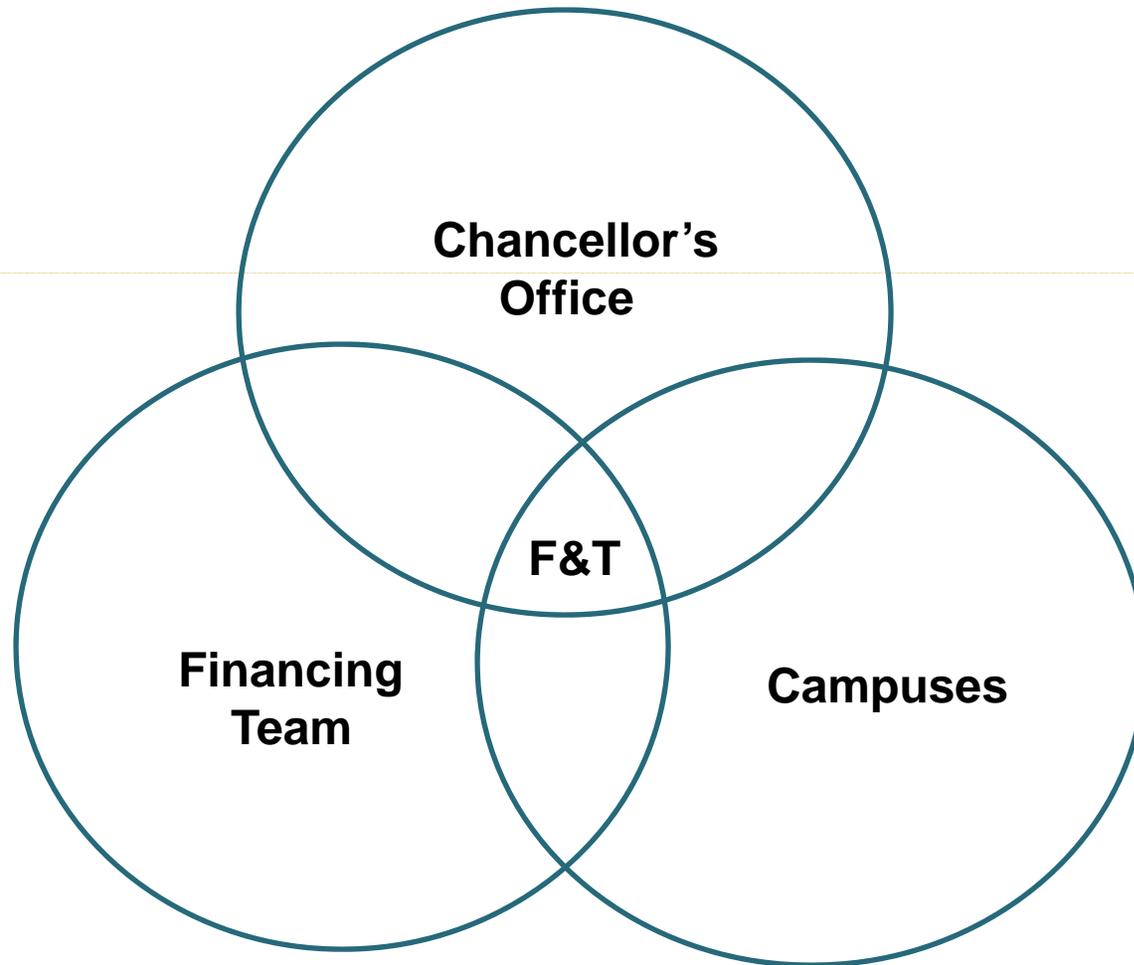
- Keep your contacts informed throughout the year:
 - Management
 - Financing Team
 - Underwriters
 - Rating Agencies
- Educate your internal resources:
 - Train departments on:
 - Financial implications on DSCRs and overall health to organization
 - Arbitrage rebate requirements
 - Private Activity Usage
 - IRS requirements – for example record retentions



Continuous Disclosure Communication Goals

- Maintain tax-exempt status
- Keep bonds highly rated
- Maintain organization's financial strength
- Attract bond investors
- Meet reporting obligations for S.E.C. and IRS.
- Avoid emergencies – disclose on a timely basis with factual information. Footnote to clarify.

Continuous Disclosure Communication and Process – A Team Approach





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